



General Assembly

**Substitute Bill No. 225**

February Session, 2010

\* SB00225BA 042110 \*

**AN ACT CONCERNING THE DUTIES OF A MORTGAGEE IN A  
FORECLOSURE ACTION ON RESIDENTIAL REAL PROPERTY.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1 Section 1. (NEW) (*Effective July 1, 2010*) (a) As used in this section:
- 2 (1) "Mortgagee" means the original lender or servicer under a  
3 mortgage, or its successors or assigns, who is the holder of any  
4 mortgage on residential real property securing a loan made primarily  
5 for personal, family or household purposes that is the subject of a  
6 foreclosure action.
- 7 (2) "Mortgagor" means the owner-occupant of one-to-four family  
8 residential real property located in this state who is also the borrower  
9 under a mortgage encumbering such residential real property, which is  
10 the primary residence of such owner-occupant; and
- 11 (3) "Residential real property" means a one-to-four family dwelling  
12 occupied as a residence by a mortgagor.
- 13 (b) When a mortgagee commences an action for the foreclosure of a  
14 mortgage on residential real property with a return date on or after  
15 July 1, 2010, the mortgagee shall give notice to the mortgagor, in such  
16 form as the Chief Court Administrator prescribes, of the name,  
17 business mailing address, electronic mail address and telephone

18 number of an individual who has authority, on behalf of the  
19 mortgagee, to (1) renew, refinance or restructure the mortgage  
20 agreement in connection with a workout situation, (2) agree to a  
21 mortgage forbearance agreement, or (3) agree to any other material  
22 modification of the terms of the mortgage agreement. The notice shall  
23 indicate the name of the individual and such individual's business  
24 mailing address, electronic mail address and telephone number in  
25 boldface type at least fourteen points in size.

26 (c) Notwithstanding any provision of the general statutes or any  
27 rule of law to the contrary, a court may delay the entry of a judgment  
28 of strict foreclosure or foreclosure by sale, or determine that no  
29 judgment of strict foreclosure or judgment of foreclosure by sale shall  
30 be entered when, in the court's judgment, fairness and equity require  
31 such delay or determination, if the court finds that the mortgagee in an  
32 action instituted by the mortgagee to foreclose a mortgage on  
33 residential real property (1) failed to provide notice in accordance with  
34 subsection (b) of this section, (2) failed to respond within a reasonable  
35 amount of time to a request from the mortgagor to renew, refinance or  
36 restructure the mortgage agreement in connection with a workout  
37 situation, (3) failed to agree in good faith to a reasonable mortgage  
38 forbearance agreement or any other reasonable material modification  
39 of the terms of the mortgage agreement, or (4) engaged in conduct that  
40 was immoral, unethical, oppressive or unscrupulous with respect to  
41 the mortgage agreement or mortgagee.

42 (d) Notwithstanding any provision of the general statutes or any  
43 rule of law to the contrary, a court may delay the entry of a deficiency  
44 judgment on behalf of the mortgagee or determine that no deficiency  
45 judgment shall be entered on behalf of the mortgagee when, in the  
46 court's judgment, fairness and equity require such delay or  
47 determination, if the court finds that the mortgagee in an action  
48 instituted by the mortgagee to foreclose a mortgage on residential real  
49 property (1) failed to provide notice in accordance with subsection (b)  
50 of this section, (2) failed to respond within a reasonable amount of time

51 to a request from the mortgagor to renew, refinance or restructure the  
52 mortgage agreement in connection with a workout situation, (3) failed  
53 to agree in good faith to a reasonable mortgage forbearance agreement  
54 or any other reasonable material modification of the terms of the  
55 mortgage agreement, or (4) engaged in conduct that was immoral,  
56 unethical, oppressive or unscrupulous with respect to the mortgage  
57 agreement or mortgagee.

58 Sec. 2. Section 49-14 of the general statutes is repealed and the  
59 following is substituted in lieu thereof (*Effective July 1, 2010*):

60 (a) At any time within thirty days after the time limited for  
61 redemption has expired, any party to a mortgage foreclosure may file a  
62 motion seeking a deficiency judgment. Such motion shall be placed on  
63 the short calendar for an evidentiary hearing. Such hearing shall be  
64 held not less than fifteen days following the filing of the motion, except  
65 as the court may otherwise order. At such hearing the court shall hear  
66 the evidence, establish a valuation for the mortgaged property and  
67 shall render judgment for the plaintiff for the difference, if any,  
68 between such valuation and the plaintiff's claim, except as provided in  
69 subsection (d) of section 1 of this act. The plaintiff in any further action  
70 upon the debt, note or obligation, shall recover only the amount of  
71 such judgment.

72 (b) Upon the motion of any party and for good cause shown, the  
73 court may refer such motion to a state referee, who shall have and  
74 exercise the powers of the court with respect to trial, judgment and  
75 appeal in such case.

76 (c) Any party to a mortgage foreclosure who has moved for an  
77 appraisal of property for the purpose of obtaining a deficiency  
78 judgment, but has not been granted a deficiency judgment, or has not  
79 received full satisfaction of any deficiency judgment obtained  
80 subsequent to the filing of such motion, may make a motion to the  
81 court for a deficiency judgment as set forth in subsection (a) of this  
82 section. If such motion is made on or before November 1, 1979, such

83 moving party shall be deemed to have complied with all of the  
84 requirements of subsection (a) of this section and shall be entitled to  
85 the benefit of any deficiency judgment rendered pursuant to said  
86 subsection (a).

87 (d) Any appeal pending in the Supreme Court with regard to any  
88 deficiency judgment or proceedings relating thereto shall be stayed  
89 until a hearing is held pursuant to subsection (a) of this section. Any  
90 appellant in such an appeal shall have the right for a period of thirty  
91 days after the rendering of judgment pursuant to subsection (a) of this  
92 section to amend his appeal. There shall be no stay of such an appeal if  
93 no motion has been filed pursuant to this section on or before  
94 November 1, 1979.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2010</i>	New section
Sec. 2	<i>July 1, 2010</i>	49-14

**JUD**      *Joint Favorable Subst.-LCO*

**BA**        *Joint Favorable*